

Corp. Tax Determinations  
A-2  
Chemical Tankers,  
Inc.

STATE OF NEW YORK

DEPARTMENT OF TAXATION AND FINANCE

BOARD OF CONFEREES - CORPORATION TAX BUREAU

In the Matter of the Applications of :  
CHEMICAL TANKERS, INC. :  
for revision of franchise taxes assessed : Hearing Case No. 5094  
under Article 9A of the Tax Law for the :  
privilege years 1955 through 1959. :

Estimated taxes were audited and stated October 4, 1963 under Article 9A, as follows:

<u>Year</u>	<u>Amount of Tax</u>	<u>Penalty</u>	<u>Total Tax &amp; Penalty</u>
1955	\$2,750.00	\$1,595.00	\$4,345.00
1956	2,585.78	1,189.46	3,775.24
1957	2,391.33	813.05	3,204.38
1958	278.23	61.21	339.44
1959	832.75	83.28	916.03

Applications for revision were filed on April 23, 1965.

The only question involved is whether the corporation should be reclassified so as to be taxable under Article 9, Sections 183 and 184 of the Tax Law as a transportation corporation.

Informal hearing was held August 18, 1965 in Albany before D. H. Gilhooly. The taxpayer was represented by Fred W. Bickmann, Jr., Vice President, Daniel Hayes, Assistant Treasurer, and John C. Hart, Esq., of Macklin, Hannan & McKernan, 99 John Street, New York City.

The information in the file and the testimony at the hearing disclose the taxpayer, incorporated March 11, 1949 in New York, is wholly engaged in the transportation of liquid chemicals in bulk by water. The taxpayer time chartered a tanker from a sister subsidiary, Chemical Transporter, Inc., which corporation owned and operated the tanker with its own crew between ports in the Gulf of Mexico and New York. The taxpayer contracted as principal with four major chemical companies for the carrying of their respective cargo. The taxpayer has submitted copies of their contract for the time chartering of the tanker and of their contract with one of the chemical companies, which evidences that the taxpayer acts as a principal and not as a commission broker.

Based upon the foregoing, the Board has concluded that the corporation is principally engaged in the conduct of a transportation business and recommends that it be reclassified to Article 9, Sections 183 and 184, effective January 1, 1955. This will result in cancellation of the taxes under Article 9A for the years 1955 through 1959, as set forth above, since taxes will be stated for such periods under Sections 183 and 184 of Article 9.

Approved  
E. A. [Signature]  
10/29/65  
[Signature]  
11/19/65

William F. Sullivan  
Chairman  
[Signature]

DG:MB  
10/19/65

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